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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/592,087	06/12/2000	Tariq Khalidi	10015-pa	4895

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EXAMINER

PATEL, JAGDISH

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 09/27/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/592,087

Applicant(s)

KHALIDI, TARIQ

Examiner

JAGDISH PATEL

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 16 June 2004.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-37 is/are pending in the application.
- 4a) Of the above claim(s) 7-11 and 20-36 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-6, 12-19 and 37 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Election/Restrictions

1. Applicant's election with traverse of group I in the reply filed on 6/23/04 is acknowledged. The traversal is on the ground(s) that the restriction requirement is not based upon the classification of the inventions into distinct class/subclass.

The applicant argues that the examiner has not identified each invention of groups I through IX into different class/subclass. However, this is not persuasive because the restriction of inventions of groups I-IX are based upon different definitions of distinctness as identified on p. 3 and 4 namely between the process and the apparatus (see para 4) and related subcombinations.

The applicant asserts that the restriction requirement does not meet the statutory requirement under 35 USC 121 that there be both independence and distinction between the inventions. The Examiner on p.4 has explained by way of example why process of Group I is distinct from that of groups II, VII and VIII. Furthermore, the examiner has provided detailed explanation why inventions of apparatus claims of Groups III-VI and IX are distinct from the process claims of groups I, II, VII and VIII treated as distinct inventions(see p.4).

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Claim 37 is added to group I. Thus, claims 1-7, 37 and 12-19 have been considered for examination.

The applicant request to join group II claims in group I claims. However, the claims 8-11 contain distinct feature of multiple tier of buyer and outsourcing the module to an N+P tier as defined in step c) of claim 8. This feature is not require to practice invention of group I (claims 1-8 and 37).

The requirement is still deemed proper and is therefore made FINAL.

Specification

2. The abstract of the disclosure is objected to because it contains more than 150 words. Correction is required. See MPEP § 608.01(b).

Claim Objections

3. Claim 2 is objected to because of the following informalities: line 7" "base on" should read "based on". Appropriate correction is required.

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Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-7, 37 and 12-19 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

6. Claim 1 recites the limitation "the modules" in line 5. There is insufficient antecedent basis for this limitation in the claim.

Claim 1 recites the limitation "at least one module" in line 3. However, a single module cannot be sequestered into a plurality of modules as required by the claim.

Similarly claims 2 recites the limitation "the outsourced modules" which lack sufficient antecedent basis in the claim.

Similarly claims 4 recites the limitation "the step of releasing at least one bid" which lack sufficient antecedent basis in the claim.

Dependent claims also inherit this deficiency.

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Claim 12 recites limitation "means for facilitating the reception of a non competitive bid for any module not competitively bided on from an outsourced supplier" is not functionally related to any other means. Furthermore, the claims also lack sufficient antecedent basis in the claims because there no means recited for receiving competitive bids for modules identified for competitive bidding and means for receiving in-house bids for modules identified for in-house bidding.

Claim 13 recites "preparing a bid from then combining of in-house and outsourced modules" is unclear since one cannot combine "modules" to prepare a bid. The claim does not recite receiving bid for the in-house module(s).

Claim 14 also contains similar defects.

Dependent claims also inherit respective parent claims' defects.

Claim 37 is unclear because it provides attribute of limitation "in-house bid". This attribute "said in-house bid represents an N tier buyer.." has no functional relationship to any processing step of claim 1. In other words, all steps of the claim can be carried out regardless of the type of in-house bid or what it represents.

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Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. **Claims 1-7, 37 and 12-19 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a

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patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or

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lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the *Freeman-Walter-Abele* test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

8. In the present application, Claims 1-7, 37 and 12-19 have no connection to the technological arts. None of the steps (or means) indicate any connection to a computer or technology. The step of sequestering and receiving bids could be performed manually (in the system claims means are individual persons who perform the process steps). Therefore, the claims are directed

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towards non-statutory subject matter (i.e. not within technological arts). Note that it not sufficient to merely recite technological implementation in the preamble such "a computerized method" etc. In stead the claimed invention must defined technology in critical process steps (or equivalent means) of the claimed method or system. Note also that the technological implementation recited in the claim must be supported by the specification for enablement requirement.

Claim Rejections - 35 USC § 102

A person shall be entitled to a patent unless--

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent.

Claims 1, 12 and 13 are rejected under 35 U.S.C. 102 (a) as being anticipated by Michael J Cook. AACE International Transactions. Morgantown: 1998. p. ES14 (7 pages). (hereafter referred as Cook).

As per Claims 1-6 and 12-19 Cook teaches a process for competitive bidding comprising the steps of sequestering a bid package., further sequestering the modules into in-house and outsourced modules, releasing outsource modules for outsource bids, receiving at least one outsourced bid and preparing a bid from the combining of the in-house bid and outsourced bid ("..deadline for submitting the bid..", abstract, "quantity of

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subcontractor and supplier proposals..", abstract; referring to the full text of the article and Noting that a general contractor sequesters (breaks up) a project proposal or a bid package into a number of modules or sub-sections of the project which are to be subcontracted, identifies the subcontractors (suppliers, electrical contractors, mechanical contractors etc.) to whom respective modules are to be subcontracted out (or outsourced). Subsequently the general contractor solicits bids from the identified subcontractors for the sub-sections of the project. The general contractor also performs it's own bid for that section(s) of the project for which it has in-house resources and capabilities. The general contractor selects the subcontractor(s) for relevant portions of the project based upon the detailed bid(s) it receives from the subcontractors, combines the bids (of those subcontractors whose bids are selected) with its own bid for the portion of the project that it does not sub-contract and intends to perform in-house. The general contractor prepares its own cost estimation for the entire project contract by combining the bids of the subcontractors it selects for the project with its own bid and prepares a final bid which it submits to the client on the bid day.)

Regarding claim 12, Cook inherently teaches, "means for summing the in-house, competitive, noncompetitive and in-house bids" (i.e. bids pertaining to items of a project for bids are received from corresponding subcontractors (which inherently include both competitive as well noncompetitive bids)). Note that the general contractor performs the overall bid preparation for a project for which he is sole responsible.

Regarding claim 13 all limitations are analyzed as per claim 1 analysis.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (703)308-7837. The examiner can normally be reached on 800AM-600PM M-Th.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703)308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3624)

9/10/04